

Value Partners ETF Series OFC  
(An umbrella open-ended fund company established under the laws of Hong Kong)

ANNUAL REPORT

Value Partners EMQQ Emerging Markets Internet & Ecommerce ETF  
Stock code: 03030 (HKD)

For the period from 1 January 2024 to 17 July 2024 (date of last valuation)

(Sub-Fund of Value Partners ETF Series OFC)

## VALUE PARTNERS ETF SERIES OFC

(An umbrella open-ended fund company established under the laws of Hong Kong)

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## VALUE PARTNERS ETF SERIES OFC

(An umbrella open-ended fund company established under the laws of Hong Kong)

### GENERAL INFORMATION

#### **Manager**

Sensible Asset Management Hong Kong Limited  
43rd Floor, The Center  
99 Queen's Road Central  
Hong Kong

#### **Sub-Manager**

Value Partners Hong Kong Limited  
43rd Floor, The Center  
99 Queen's Road Central  
Hong Kong

#### **Director of the Manager**

Mr. SO Chun Ki Louis

#### **Directors of the Company**

Mr. HO Man Kei  
Mr. HUI Kiu Tat

#### **Custodian**

HSBC Institutional Trust Services (Asia) Limited  
1 Queen's Road Central  
Hong Kong

#### **Legal Counsel to the Manager**

Simmons & Simmons  
30/F, One Taikoo Place  
979 King's Road  
Hong Kong

#### **Administrator, Valuation Agent and Registrar**

The Hongkong and Shanghai Banking  
Corporation Limited  
1 Queen's Road Central  
Hong Kong

#### **Service Agent**

HK Conversion Agency Services Limited  
8<sup>th</sup> Floor, Two Exchange Square  
8 Connaught Place  
Central  
Hong Kong

#### **Listing Agent**

Altus Capital Limited  
21 Wing Wo Street  
Central  
Hong Kong

#### **Auditors**

Ernst & Young  
27/F One Taikoo Place  
979 King's Road  
Quarry Bay  
Hong Kong

#### **Information available from:**

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**VALUE PARTNERS ETF SERIES OFC**

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**REPORT OF THE CUSTODIAN TO THE SHAREHOLDERS**

We hereby confirm that, in our opinion, Sensible Asset Management Hong Kong Limited (the “Manager”), the Manager of Value Partners ETF Series OFC (the “Company”), has, in all material respects, managed the Company, in accordance with the provisions of the OFC’s instrument of incorporation.

For the period from 1 January 2024 to 17 July 2024 (date of last valuation):

- Value Partners EMQQ Emerging Markets Internet & Ecommerce ETF

**HSBC Institutional Trust Services (Asia) Limited** (the “Custodian”)

15 October 2024

**INDEPENDENT AUDITOR'S REPORT  
TO THE SHAREHOLDERS OF VALUE PARTNERS ETF SERIES OFC**  
(incorporated in Hong Kong with limited liability)

**Report on the Audit of the Financial Statements**

**Opinion**

We have audited the financial statements of Value Partners ETF Series OFC (the “Company”) set out on pages 14 to 46, which comprise the statement of net assets as at 17 July 2024, and the statement of profit or loss and other comprehensive income and the statement of changes in net assets attributable to shareholders for the period from 1 January 2024 to 17 July 2024, and notes to the financial statements, including material accounting policy information.

In our opinion, the financial statements give a true and fair view of the financial position of the Company as at 17 July 2024, and of its financial performance for period then ended in accordance with International Financial Reporting Standards (“IFRSs”) issued by the International Accounting Standards Board (“IASB”).

**Basis for Opinion**

We conducted our audit in accordance with International Standards on Auditing (“ISAs”) issued by the International Auditing and Assurance Standards Board (IAASB). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the HKICPA’s *Code of Ethics for Professional Accountants* (“the Code”), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**INDEPENDENT AUDITOR'S REPORT  
TO THE SHAREHOLDERS OF VALUE PARTNERS ETF SERIES OFC**  
(incorporated in Hong Kong with limited liability)

**Report on the audit of the financial statements (continued)**

**Other information included in the Annual Report**

The Manager and Directors of the Company are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Responsibilities of the Manager and Directors and Those Charged with Governance for the Financial Statements**

The Manager and the Directors are responsible for the preparation of the financial statements that give a true and fair view in accordance with IFRSs issued by IASB, and for such internal control as the Manager and the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Manager and the Directors are responsible for assessing the ability of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Manager and the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

In addition, the Manager and the Directors are required to ensure that the financial statements have been properly prepared in accordance with the relevant disclosure provisions of the instrument of incorporation of the Company dated 11 January 2022 (the "Instrument of Incorporation"), Part 7 of the Securities and Futures (Open-ended Fund Companies) Rules ("OFC Rules"), Appendix E of the Code on Unit Trusts and Mutual Funds ("UT Code") and Chapter 9 of the Code on Open-Ended Fund Companies ("OFC Code") issued by the Hong Kong Securities and Futures Commission.

**INDEPENDENT AUDITOR'S REPORT  
TO THE SHAREHOLDERS OF VALUE PARTNERS ETF SERIES OFC**  
(incorporated in Hong Kong with limited liability)

**Report on the audit of the financial statements (continued)**

**Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Our report is made solely to you, as a body, in accordance with section 153 of the OFC Rules, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. In addition, we are required to assess whether the financial statements of the Company have been properly prepared, in all material respects, in accordance with the relevant disclosure provisions of the Instrument of Incorporation of the Company, Part 7 of the OFC Rules, Appendix E of the UT Code and Chapter 9 of the OFC Code.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Company.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the manager and the directors.

**INDEPENDENT AUDITOR'S REPORT  
TO THE SHAREHOLDERS OF VALUE PARTNERS ETF SERIES OFC**  
(incorporated in Hong Kong with limited liability)

**Report on the audit of the financial statements (continued)**

**Auditor's Responsibilities for the Audit of the Financial Statements (continued)**

- Conclude on the appropriateness of the manager's and the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Manager and the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



**INDEPENDENT AUDITOR'S REPORT  
TO THE SHAREHOLDERS OF VALUE PARTNERS ETF SERIES OFC**  
(incorporated in Hong Kong with limited liability)

**Report on the audit of the financial statements (continued)**

**Report on matters under the relevant disclosure provisions of the Instrument of Incorporation of the Company, Part 7 of the OFC Rules, Appendix E of the UT Code and Chapter 9 of the OFC Code**

In our opinion, the financial statements have been properly prepared, in all material respects, in accordance with the relevant disclosure provisions of the instrument of incorporation of the Company, Part 7 of the OFC Rules, Appendix E of the UT Code and Chapter 9 of the OFC Code.

The engagement partner on the audit resulting in this independent auditor's report is Wong Man Kin.

Certified Public Accountants  
Hong Kong  
15 October 2024

**INDEPENDENT AUDITOR'S REPORT  
TO THE SHAREHOLDERS OF VALUE PARTNERS EMQQ EMERGING MARKETS INTERNET  
& ECOMMERCE ETF**

(incorporated in Hong Kong with limited liability)

**Report on the Audit of the Financial Statements**

**Opinion**

We have audited the financial statements of Value Partners EMQQ Emerging Markets Internet & Ecommerce ETF (the "Sub-Fund") set out on pages 14 to 46, which comprise the statement of net assets as at 17 July 2024 (date of last valuation), and the statement of profit or loss and other comprehensive income, the statement of changes in net assets attributable to shareholders and the statement of cash flows for the period from 1 January 2024 to 17 July 2024, and notes to the financial statements, including material accounting policy information.

In our opinion, the financial statements give a true and fair view of the financial position of the Sub-Fund as at 17 July 2024, and of its financial performance and the cash flows for period then ended in accordance with International Financial Reporting Standards ("IFRSs") issued by the International Accounting Standards Board ("IASB").

**Basis for Opinion**

We conducted our audit in accordance with International Standards on Auditing ("ISAs") issued by the International Auditing and Assurance Standards Board (IAASB). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Sub-Fund in accordance with the HKICPA's *Code of Ethics for Professional Accountants* ("the Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Emphasis of Matter**

We draw attention to Note 2 to the financial statements which describes that the financial statements for the period from 1 January 2024 to 17 July 2024 (date of last valuation) have not been prepared on a going concern basis. Our opinion is not modified in respect of this matter.

**Key audit matters**

We have determined that there are no key audit matters to communicate in our report.

**INDEPENDENT AUDITOR'S REPORT  
TO THE SHAREHOLDERS OF VALUE PARTNERS EMQQ EMERGING MARKETS INTERNET  
& ECOMMERCE ETF**

(incorporated in Hong Kong with limited liability)

**Report on the audit of the financial statements (continued)**

**Other information included in the Annual Report**

The Manager and Directors of the Sub-Fund are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Responsibilities of the Manager and Directors and Those Charged with Governance for the Financial Statements**

The Manager and the Directors are responsible for the preparation of the financial statements that give a true and fair view in accordance with IFRSs issued by IASB, and for such internal control as the Manager and the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Manager and the Directors are responsible for assessing the ability of the Sub-Fund to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Manager and the Directors either intend to liquidate the Sub-Fund or to cease operations, or have no realistic alternative but to do so.

In addition, the Manager and the Directors are required to ensure that the financial statements have been properly prepared in accordance with the relevant disclosure provisions of the instrument of incorporation of the Sub-Fund dated 11 January 2022 (the "Instrument of Incorporation"), Part 7 of the Securities and Futures (Open-ended Fund Companies) Rules ("OFC Rules"), Appendix E of the Code on Unit Trusts and Mutual Funds ("UT Code") and Chapter 9 of the Code on Open-Ended Fund Companies ("OFC Code") issued by the Hong Kong Securities and Futures Commission.

**INDEPENDENT AUDITOR'S REPORT  
TO THE SHAREHOLDERS OF VALUE PARTNERS EMQQ EMERGING MARKETS INTERNET  
& ECOMMERCE ETF**

(incorporated in Hong Kong with limited liability)

**Report on the audit of the financial statements (continued)**

**Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Our report is made solely to you, as a body, in accordance with section 153 of the OFC Rules, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. In addition, we are required to assess whether the financial statements of the Sub-Fund have been properly prepared, in all material respects, in accordance with the relevant disclosure provisions of the Instrument of Incorporation of the Sub-Fund, Part 7 of the OFC Rules, Appendix E of the UT Code and Chapter 9 of the OFC Code.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Sub-Fund.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the manager and the directors.

**INDEPENDENT AUDITOR'S REPORT  
TO THE SHAREHOLDERS OF VALUE PARTNERS EMQQ EMERGING MARKETS INTERNET  
& ECOMMERCE ETF**

(incorporated in Hong Kong with limited liability)

**Report on the audit of the financial statements (continued)**

**Auditor's Responsibilities for the Audit of the Financial Statements (continued)**

- Conclude on the appropriateness of the Manager's and the Directors' use of the going concern basis of accounting. When such use is inappropriate and the Manager and the Directors use an alternative basis of accounting, we conclude on the appropriateness of the Manager's and the Directors' use of the alternative basis of accounting. We also evaluate the adequacy of the disclosures describing the alternative basis of accounting and reasons for its use. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Manager and the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

**INDEPENDENT AUDITOR'S REPORT  
TO THE SHAREHOLDERS OF VALUE PARTNERS EMQQ EMERGING MARKETS INTERNET  
& ECOMMERCE ETF**

(incorporated in Hong Kong with limited liability)

**Report on the audit of the financial statements (continued)**

**Report on matters under the relevant disclosure provisions of the Instrument of Incorporation of the Sub-Fund, Part 7 of the OFC Rules, Appendix E of the UT Code and Chapter 9 of the OFC Code**

In our opinion, the financial statements have been properly prepared, in all material respects, in accordance with the relevant disclosure provisions of the instrument of incorporation of the Sub-Fund, Part 7 of the OFC Rules, Appendix E of the UT Code and Chapter 9 of the OFC Code.

The engagement partner on the audit resulting in this independent auditor's report is Wong Man Kin.

Certified Public Accountants  
Hong Kong  
15 October 2024

**VALUE PARTNERS ETF SERIES OFC**

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## STATEMENT OF NET ASSETS

AS AT 17 JULY 2024 (DATE OF LAST VALUATION)

	<i>Notes</i>	Value Partners ETF Series OFC		Value Partners EMQQ Emerging Markets Internet & Ecommerce ETF	
		2024 HK\$	2023 HK\$	2024 HK\$	2023 HK\$
<b>ASSETS</b>					
Financial assets at fair value through profit or loss	<i>14</i>	-	-	-	80,072,386
Dividends receivable		-	-	90,440	92,275
Interest receivable		-	-	17,292	625
Amount due from the Manager	<i>11(d)</i>	-	-	990,674	-
Other receivables		-	-	-	23,203
Cash and cash equivalents	<i>10</i>	-	-	8,707,028	474,811
<b>TOTAL ASSETS</b>		-	-	9,805,434	80,663,300
<b>LIABILITIES</b>					
Management fee payable	<i>11(a)</i>	-	-	1,385	131,749
Amount due to the Manager	<i>11(d)</i>	-	-	-	282,077
Other payables and accruals		-	-	369,335	368,438
<b>TOTAL LIABILITIES</b>		-	-	370,720	782,264
<b>EQUITY</b>					
Net assets attributable to shareholders	<i>6</i>	-	-	9,434,714	79,881,036
<b>TOTAL EQUITY</b>		-	-	9,434,714	79,881,036
<b>TOTAL LIABILITIES AND EQUITY</b>		-	-	9,805,434	80,663,300

**VALUE PARTNERS ETF SERIES OFC**

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## STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE PERIOD FROM 1 JANUARY 2024 TO 17 JULY 2024 (DATE OF LAST VALUATION)

		Value Partners ETF Series OFC	Value Partners EMQQ Emerging Markets Internet & Ecommerce ETF	
	<i>Notes</i>	For the period from 1 January 2024 to 17 July 2024 HK\$	For the year ended 2023 HK\$	For the period from 1 January 2024 to 17 July 2024 (date of last valuation) HK\$
				For the year ended 2023 HK\$
<b>INCOME</b>				
Net gains on financial assets at fair value through profit or loss	7	-	-	6,043,224
Interest income from bank deposits		-	-	20,189
Dividend income		-	-	584,640
Net foreign exchange differences		-	-	(48,416)
Other income	8	-	-	1,213,108
		-	-	7,812,745
<b>EXPENSES</b>				
Management fee	11(a)	-	-	(409,869)
Auditor's remuneration		-	-	(194,400)
Bank charges	12(b)	-	-	(3,160)
Listing fee		-	-	(15,000)
Transaction fee	13	-	-	(100,631)
Legal and other professional fees		-	-	(446,197)
Other operating expenses		-	-	(289,262)
Investment manager reimbursement of fees	11(b)	-	-	986,944
<b>TOTAL OPERATING EXPENSES</b>		-	-	(471,575)
<b>OPERATING PROFIT BEFORE TAX</b>		-	-	7,341,170
Withholding tax	9	-	-	(67,556)
<b>PROFIT AND TOTAL COMPREHENSIVE INCOME FOR THE PERIOD/YEAR</b>		-	-	7,273,614
		-	-	22,876,164



**VALUE PARTNERS ETF SERIES OFC**

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## STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

FOR THE PERIOD FROM 1 JANUARY 2024 TO 17 JULY 2024 (DATE OF LAST VALUATION)

		Value Partners ETF Series OFC	Value Partners EMQQ Emerging Markets Internet & Ecommerce ETF		
		For the period from 1 January 2024 to 17 July 2024 (date of last valuation) HK\$	For the period from 1 January 2024 to 17 July 2024 (date of last valuation) HK\$		
<i>Note</i>		For the year ended 2023 HK\$	For the year ended 2023 HK\$		
<b>Net assets attributable to shareholders at the beginning of the period/year</b>		-	-	79,881,036	215,529,895
Redemption of shares	6	-	-	(77,719,936)	(158,525,023)
<b>Decrease in net assets attributable to shareholders from transactions in share</b>		-	-	(77,719,936)	(158,525,023)
Profit and total comprehensive income for the period/year		-	-	7,273,614	22,876,164
<b>Net assets attributable to shareholders at the end of the period/year</b>		-	-	9,434,714	79,881,036
<b>Number of shares in issue at beginning of the period/year</b>		-	-	10,800,000	30,000,000
Redemption of shares	6	-	-	(9,600,000)	(19,200,000)
<b>Number of shares in issue at end of the period/year</b>		-	-	1,200,000	10,800,000

**VALUE PARTNERS ETF SERIES OFC**

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## STATEMENT OF CASH FLOWS

FOR THE PERIOD FROM 1 JANUARY 2024 TO 17 JULY 2024 (DATE OF LAST VALUATION)

	Value Partners EMQQ Emerging Markets Internet & Ecommerce ETF	
	For the period from 1 January 2024 to 17 July 2024 (date of last valuation) HK\$	For the year ended 2023 HK\$
<i>Note</i>		
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	7,341,170	22,894,780
Adjustments for:		
Dividend income	(584,640)	(1,185,929)
Interest income from bank deposits	(20,189)	(16,880)
Operating cash flows before movements in working capital	6,736,341	21,691,971
Decrease in financial assets at fair value through profit or loss	80,072,386	134,901,469
Decrease in other receivables	23,203	1,693
Decrease in management fee payable	(130,364)	(52,674)
Decrease in amount due to the Manager	(282,077)	(628,218)
Increase in amount due from the Manager	(990,674)	-
Increase in other payables and accruals	897	89,464
Cash generated from operations	85,429,712	156,003,705
Interest on bank deposits received	3,522	17,087
Dividends received net of withholding tax	518,919	1,083,795
<b>Net cash flows generated from operating activities</b>	<b>85,952,153</b>	<b>157,104,587</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Payments on redemption of shares	(77,719,936)	(158,525,023)
<b>Net cash flows used in financing activities</b>	<b>(77,719,936)</b>	<b>(158,525,023)</b>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>		
	8,232,217	(1,420,436)
Cash and cash equivalents at the beginning of the period/year	474,811	1,895,247
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD/YEAR</b>	<b>8,707,028</b>	<b>474,811</b>
<b>ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS</b>		
Bank balances	10 8,707,028	474,811

## VALUE PARTNERS ETF SERIES OFC

(An umbrella open-ended fund company established under the laws of Hong Kong)

### NOTES TO THE FINANCIAL STATEMENTS

17 July 2024

#### 1. GENERAL

Value Partners ETF Series OFC (the “Company”) is a public umbrella open-ended fund company with variable capital with limited liability, which was incorporated in Hong Kong under the Securities and Futures Ordinance (Cap. 571) of Hong Kong (the “SFO”) on 11 January 2022. The Company is constituted by way of its Instrument filed to the Companies Registry of Hong Kong on, and effective as of, 11 January 2022. The Company is an Open-ended Fund Company that is a body corporate upon which the Sub-Fund is launched and it owns no economic or legal interests in the Sub-Fund.

The Company is registered with the Securities and Futures Commission of Hong Kong (the “SFC”) under Section 112D of the SFO. The Company is authorised as a collective investment scheme by the SFC under Section 104 of the SFO and the Sub-Fund falls within Chapter 8.6 of the Code on Unit Trusts and Mutual Funds (the “SFC Code”).

As of 17 July 2024, the Company has one sub-fund, Value Partners EMQQ Emerging Markets Internet & Ecommerce ETF (the “Sub-Fund”), which is authorised by the SFC pursuant to section 104 of the SFO. The Sub-Fund is listed on the Stock Exchange of Hong Kong Limited (the “SEHK”) on 25 July 2022.

#### Value Partners EMQQ Emerging Markets Internet & Ecommerce ETF

Value Partners EMQQ Emerging Markets Internet & Ecommerce ETF is a sub-fund of the Company which commenced trading under the stock code 3030 on the SEHK on 25 July 2022.

The investment objective of the Sub-Fund is to provide investment results that, before fees and expenses, closely correspond to the performance of the EMQQ The Emerging Markets Internet & Ecommerce Index™ (the “Index”). There can be no assurance that the Sub-Fund will achieve its investment objective. Sensible Asset Management Hong Kong Limited (the “Manager”) primarily uses a full replication strategy through investing directly in constituent stocks of the Index in substantially the same weightings in which they are included in the Index. The Sub-Fund may also invest in secondary listings and foreign listings such as American Depositary Receipts (“ADRs”), American Depositary Shares (“ADSs”), Global Depositary Receipts (“GDRs”) and International Depositary Receipts (“IDRs”) which are eligible for inclusion in the Index. The Manager may invest no more than 20% of the Sub-Fund’s net asset value (“NAV”) in financial derivative instruments including swaps for investment and hedging purposes, where the Manager believes such investments will help the Sub-Fund achieve its investment objective and are beneficial to the Sub-Fund. The Manager may also invest up to 10% of the Sub-Fund’s NAV in participation notes which are unleveraged instruments. For the avoidance of doubt, participation notes by nature are derivative instruments.

In pursuing a full replication strategy, the Sub-Fund will invest in substantially all the securities constituting the Index in substantially the same weightings (i.e. proportions) as these securities have in the Index. When a security ceases to be a constituent of the Index, rebalancing occurs which involves, among other things, selling the outgoing security and potentially using the proceeds to invest in the incoming security.

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#### 1. GENERAL (CONTINUED)

Where the adoption of a full replication strategy is not efficient or practicable or where the Manager considers appropriate in its absolute discretion, the Manager may also use a representative sampling strategy to invest in (i) a representative sample of the constituent securities of the Index selected by the Manager using rule-based quantitative analytical models to derive a portfolio sample; and/or (ii) a representative sample whose performance is closely correlated with the Index, but whose constituents may or may not themselves be constituents of the Index.

Pursuant to the announcement dated 31 May 2024, the Sub-Fund will be terminated on 7 November 2024. The Manager has given written notice to the investors notifying the investors of its proposal to terminate the Sub-Fund pursuant to Clause 286(A) of the Instrument of Incorporation of the Sub-Fund effective as of 11 January 2022 (the "Instrument"), and the Sub-Fund may be terminated by the Directors in their absolute discretion in the event that the Net Asset Value of the Sub-Fund is less than HK\$150 million. As at 28 May 2024, the Net Asset Value was HK\$91 million. The last valuation date of the Sub-Fund upon liquidation of all assets was 17 July 2024. The final distribution was made to unitholders who remained as at 17 July 2024 (the "Distribution Record Date"). The distributions were announced on 24 July 2024 and 7 August 2024 and paid on 1 August 2024 and 16 September 2024 respectively. The approval for termination has been obtained from SFC and HKEx prior to publication of announcement.

#### 2. BASIS OF PREPARATION

The financial statements of the Company and the Sub-Fund have been prepared in accordance with International Financial Reporting Standards ("IFRSs") as issued by the International Accounting Standards Board ("IASB") and interpretations issued by the International Financial Reporting Interpretations Committee of the IASB and the relevant disclosure provisions of the Instrument of Incorporation and the relevant disclosure provisions of Appendix E of the SFC Code.

The IASB has issued certain new and revised IFRSs that are available for early adoption for the current accounting period of the Company and the Sub-Fund. The Company and the Sub-Fund has not early applied any of the new and revised IFRSs that have been issued but are not yet effective for the accounting period ended 17 July 2024, in these financial statements.

The functional currency of the financial statements of the Company and the Sub-Fund is Hong Kong dollars ("HK\$"), and shares of the Sub-Fund are issued in HK\$.

These financial statements have been prepared under the historical cost convention, except for financial assets and liabilities held at fair value through profit or loss ("FVPL"), which have been measured at fair value. These financial statements are presented in HK\$.

A cash flow statement has not been presented as the Company does not operate a bank or cash account or hold any cash equivalents and has had no cash transactions during the accounting year. Accordingly, in the opinion of the directors, the presentation of a cash flow statement would provide no additional useful information to the users of the financial statements.

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#### 2. BASIS OF PREPARATION (CONTINUED)

As explained in note 1 to the financial statements, the Sub-Fund will be terminated on 7 November 2024. Accordingly, in the opinion of the Manager and the Directors of the of the Company, the going concern basis is no longer applicable and these financial statements have been prepared on a liquidation basis. The Manager and the Directors of the Sub-Fund have assessed the carrying values of the Sub-Fund's assets and liabilities and determined that these approximate the net realisable values and estimated settlement amounts, respectively. The liquidation costs will be borne by the Manager.

The comparable figures for the statement of profit or loss and other comprehensive income, statement of net assets, statement of changes in net assets attributable to shareholders and the related notes, covered a 12 months period from 1 January 2023 to 31 December 2023, while the current year period figures covered less than a 12 months period, from 1 January 2024 to 17 July 2024 (date of last valuation). due to this, the amounts presented in these financial statements and the related explanatory notes for the year ended 31 December 2023 and the period ended 17 July 2024 are not entirely comparable.

#### 3. MATERIAL ACCOUNTING POLICIES

##### (a) Foreign currency translation

Transactions in foreign currencies are translated at foreign currency exchange rates ruling at the dates of transactions. Monetary assets and liabilities denominated in foreign currencies are translated to HK\$ at the foreign currency closing exchange rate ruling at the end of the reporting period. Foreign currency exchange differences arising on translation and realised gains and losses on disposals or settlements of monetary assets and liabilities are recognised in profit or loss.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated to HK\$ at the foreign currency exchange rates ruling at the dates that the values were determined. Foreign currency exchange differences relating to trading investments are included in gains and losses on investments. All other foreign currency exchange differences relating to monetary items, including cash and cash equivalents, are presented separately in the statement of profit or loss and other comprehensive income.

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#### 3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

##### (b) Financial instruments

###### (i) *Classification*

In accordance with IFRS 9, the Company and the Sub-Fund classifies its financial assets and financial liabilities at initial recognition into the categories of financial assets and financial liabilities discussed below. In applying that classification, a financial asset or financial liability is considered to be held for trading if:

- (i) It is acquired or incurred principally for the purpose of selling or repurchasing in the near term;
- (ii) On initial recognition, it is part of a portfolio of identified financial instruments that are managed together and for which, there is evidence of a recent actual pattern of short-term profit-taking; or
- (iii) It is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).

###### *Financial assets*

The Company and the Sub-Fund classifies its financial assets as subsequently measured at amortised cost or measured at fair value through profit or loss on the basis of both:

- The entity's business model for managing the financial assets; and
- The contractual cash flow characteristics of the financial asset.

###### *Financial assets measured at amortised cost*

A debt instrument is measured at amortised cost if it is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding. The assets include in this category are amounts relating to other receivables and cash and cash equivalents.

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#### 3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

##### (b) Financial instruments (continued)

###### (i) *Classification* (continued)

###### *Financial assets measured at FVPL*

A financial asset is measured at FVPL if:

- (i) Its contractual terms do not give rise to cash flows on specified dates that are SPPI on the principal amount outstanding; or
- (ii) It is not held within a business model whose objective is either to collect contractual cash flows, or to both collect contractual cash flows and sell; or
- (iii) At initial recognition, it is irrevocably designated as measured at FVPL when doing so eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities or recognising the respective gains and losses on different bases.

###### *Financial liabilities*

###### *Financial liabilities measured at FVPL*

A financial liability is measured at FVPL if it meets the definition of held for trading.

###### *Financial liabilities measured at amortised cost*

This category includes all financial liabilities, other than those measured at fair value through profit or loss. The liabilities include in this category are amounts relating to management fee payable.

###### (ii) *Recognition*

The Company and the Sub-Fund recognises financial assets and financial liabilities on the date it becomes a party to the contractual provisions of the instrument.

A regular way purchase of financial assets is recognised using trade date accounting. From this date, any gains and losses arising from changes in fair value of the financial assets or financial liabilities are recorded.

###### (iii) *Measurement*

Financial instruments are measured initially at fair value (transaction price). Transaction costs on financial instruments designated at fair value through profit or loss are expensed immediately, while on other financial instruments, they are amortised.

Subsequent to initial recognition, all financial instruments are measured at fair value with changes in the fair value recognised in profit or loss.

Financial assets classified as loans and receivables are carried at amortised cost using the effective interest rate method, less impairment losses, if any.

Financial liabilities are measured at amortised cost using the effective interest rate.

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#### 3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

##### (b) Financial instruments (continued)

###### (iv) *Fair value measurement principles*

The Company and the Sub-Fund measures its investments at fair value at the end of each reporting period. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on their quoted market price at the end of the reporting period without any deduction for estimated future selling cost. The Company and the Sub-Fund utilises the last traded price for both listed financial assets and liabilities.

The Company and the Sub-Fund uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 - based on quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 - based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly

Level 3 - based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company and the Sub-Fund determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

###### (v) *Derecognition*

The Company and the Sub-Fund derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition in accordance with IFRS 9.

The Company and the Sub-Fund uses the weighted average method to determine realised gains and losses on derecognition.

A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expired.



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#### 3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

##### (c) Impairment of financial assets

The Company and the Sub-Fund holds only receivables with no financing component and which have maturities of less than 12 months at amortised cost and, as such, has chosen to apply an approach similar to the simplified approach for expected credit losses ("ECLs") under IFRS 9 to all of its trade receivables. Therefore, the Company and the Sub-Fund does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date.

The Company and the Sub-Fund's approach to ECLs reflects a probability-weighted outcome, the time value of money and reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

##### (d) Offsetting financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the statement of net assets if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously. This is generally not the case with master netting agreements unless one party to the agreement defaults and the related assets and liabilities are presented gross in the statement of net assets.

##### (e) Cash and cash equivalents

Cash comprises current deposits with banks. Cash equivalents are short-term highly liquid investments that are readily convertible to known amounts of cash, are subject to an insignificant risk of changes in value, and are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts where applicable.

##### (f) Interest income

Interest income is recognised in profit or loss on a time-proportionate basis using the effective interest method.

##### (g) Net change in unrealised gains or losses on financial assets at fair value through profit or loss

This item includes changes in the fair value of financial assets as at fair value through profit or loss and excludes dividend income and interest expense.

Unrealised gains and losses comprise changes in the fair value of financial instruments for the period and from reversal of prior period's unrealised gains and losses for financial instruments which were realised in the reporting period.

##### (h) Net realised gains or losses on disposal of financial assets

Net realised gains or losses on disposal of financial assets classified as at fair value through profit or loss are calculated using the weighted average method. They represent the difference between an instrument's average cost and disposal amount.

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#### 3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(i) Foreign exchange gains and losses

Foreign exchange gains and losses on financial instruments designated at fair value through profit or loss are recognised together with other changes in the fair value. Included in the statement of profit or loss and other comprehensive income, net foreign exchange gains/(losses) are foreign exchange gains and losses on monetary financial assets and financial liabilities other than those classified as designated at fair value through profit or loss.

(j) Income tax

The Sub-fund is exempt from all forms of taxation in Hong Kong, including income, capital gains and withholding taxes. However, in some jurisdictions, investment income and capital gains are subject to withholding tax deducted from the source of the income. The Sub-Fund presents the withholding tax separately from the gross investment income in profit or loss. For the purpose of the statement of cash flows, cash inflows from investments are presented net of withholding taxes, when applicable.

(k) Redeemable shares

Redeemable shares are classified as an equity instrument when:

- (i) The redeemable shares entitle the holder to a pro-rata share of the Sub-Fund's net assets in the event of the Sub-Fund's liquidation;
- (ii) The redeemable shares are in the class of instruments that is subordinate to all other classes of instruments;
- (iii) All redeemable shares in the class of instruments that is subordinate to all other classes of instruments have identical features;
- (iv) The redeemable shares do not include any contractual obligation to deliver cash or another financial asset other than the holder's rights to a pro-rata share of the Sub-Fund's net assets; or
- (v) The total expected cash flows attributable to the redeemable shares over the life of the instrument are based substantially on profit or loss, the change in the recognised net assets or the change in the fair value of the recognised and unrecognised net assets of the Sub-Fund over the life of the instrument.

In addition to the redeemable shares having all the above features, the Sub-Fund must have no other financial instrument or contract that has:

- (i) Total cash flows based substantially on profit or loss, the change in the recognised net assets or the change in the fair value of the recognised and unrecognised net assets of the Sub-Fund; and
- (ii) The effect of substantially restricting or fixing the residual return to the redeemable shareholders.

The Sub-Fund's redeemable shares meet the definition of puttable instruments classified as equity instruments under the revised IAS 32 and are classified as equity.

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#### 3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

##### (k) Redeemable shares (continued)

The Sub-Fund continuously assess the classification of the redeemable shares. If the redeemable shares cease to have all the features or meet all the conditions set out to be classified as equity, the Sub-Fund will reclassify them as financial liabilities and measure them at fair value at the date of reclassification, with any differences from the previous carrying amount recognised in equity. If the redeemable shares subsequently have all the features and meet the conditions to be classified as equity, the Sub-Fund will reclassify them as equity instruments and measure them at the carrying amount of the liabilities at the date of the reclassification.

The Sub-Fund's own equity instruments which are reacquired are deducted from equity and accounted for at amounts equal to the consideration paid, including any directly attributable incremental costs.

No gain or loss is recognised in profit or loss on the purchase, sale, issuance or cancellation of the Sub-Fund's own equity instruments.

Redeemable shares can be redeemed in cash equal to a proportionate share of the Sub-Fund's net asset value. The Sub-Fund's net asset value per share is calculated by dividing the net assets attributable to shareholders with the total number of outstanding shares of the Sub-Fund.

##### (l) Related parties

A party is considered to be related to the Company and the Sub-Fund if:

- (a) the party is a person or a close member of that person's family and that person
  - (i) has control or joint control over the Company and the Sub-Fund;
  - (ii) has significant influence over the Company and the Sub-Fund; or
  - (iii) is a member of the key management personnel of the Company and the Sub-Fund or of a parent of the Company and the Sub-Fund; or

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#### 3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

##### (l) Related parties (continued)

(b) the party is an entity where any of the following conditions applies:

- (i) the entity and the Company and the Sub-Fund are members of the same group;
- (ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);
- (iii) the entity and the Company and the Sub-Fund are joint ventures of the same third party;
- (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
- (v) the entity is a post-employment benefit plan for the benefit of employees of either the Company and the Sub-Fund or an entity related to the Company and the Sub-Fund;
- (vi) the entity is controlled or jointly controlled by a person identified in (a);
- (vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); and
- (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Company and the Sub-Fund or to the parent of the Company and the Sub-Fund.

##### (m) Segment reporting

An operating segment is a component of the Company and the Sub-Fund that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company and the Sub-Fund's other components, whose operating results are reviewed regularly by the chief operating decision maker to make decisions about resources allocated to the segment and assess its performance, and for which discrete financial information is available. Segment results that are reported to the chief operating decision maker include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. The chief operating decision maker of the Company and the Sub-Fund is identified as the Manager.

##### (n) Distributions to shareholders

Distributions are at the discretion of the Manager. A distribution to the Sub-Fund's shareholders is accounted for as a deduction from net assets attributable to shareholders. A proposed distribution is recognised as a liability in the year in which it is approved by the Manager.

##### (o) Establishment cost

The establishment cost is recognised as an expense in the year in which it is incurred.

##### (p) Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is deducted in reporting the related expense.

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#### 4. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Company and the Sub-Fund's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts recognised in the financial statements and disclosure of contingent liabilities. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in future years.

##### Judgements

In the process of applying the Company and the Sub-Fund's accounting policies, management has not made any significant judgements which have the significant effect on the amounts recognised in the financial statements:

##### Estimation uncertainty

No significant estimation uncertainty that has a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial period exists at the end of the reporting period.

#### 5. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The investment objective of the Sub-Fund is to provide investment results that, before fees and expenses, closely correspond to the performance of the Index.

The Sub-Fund is subject to various risks. The main risks associated with the investments, assets and liabilities of the Sub-Fund are set out below:

##### (a) Market risk

###### *(i) Foreign exchange risk*

Foreign currency risk is the risk that the value of financial assets and liabilities will fluctuate due to changes in foreign exchange rates. The Sub-Fund's overall currency positions are monitored on a daily basis by the Manager. The Sub-Fund holds assets and liabilities denominated in Hong Kong dollars, a currency other than its functional currency, mainly United States dollar.

Since Hong Kong dollars are pegged with US\$, the foreign currency risk of financial assets and liabilities denominated in Hong Kong dollars is minimal. The Manager considers that there is no currency risk to the Hong Kong dollars.

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## 5. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

## (a) Market risk (continued)

*(ii) Price risk*

Market price risk is the risk that the value of the financial instrument will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual instrument or factors affecting all instruments in the market.

The Sub-Fund is designated to track the performance of the Index, and therefore the exposures to market risk in the Sub-Fund will be substantially the same as the tracked index. The Manager manages the Sub-Fund's exposure to market risk by ensuring that the key characteristics of the portfolio, such as security weight and industry weight, are closely aligned with the characteristics of the tracked index.

The Sub-Fund's financial assets and financial liabilities at FVPL were concentrated in the following countries/jurisdictions:

	Value Partners EMQQ Emerging Markets Internet & Ecommerce ETF			
	As at 17 July 2024		As at 31 December 2023	
	Fair value HK\$	% of net asset value	Fair value HK\$	% of net asset value
<u>Listed equities</u>				
Argentina	-	-	5,706,224	7.14
Brazil	-	-	3,657,903	4.58
British Virgin	-	-	41,884	0.05
Cayman Islands	-	-	13,709,477	17.17
China	-	-	25,420,847	31.82
Germany	-	-	465,975	0.58
Great Britain	-	-	30,461	0.04
Hong Kong	-	-	374,973	0.47
Indonesia	-	-	575,549	0.72
India	-	-	10,774,314	13.49
Japan	-	-	660,927	0.83
Korea	-	-	5,780,946	7.24
Luxembourg	-	-	400,232	0.50
Poland	-	-	235,339	0.29
Singapore	-	-	588,294	0.74
South Africa	-	-	2,828,859	3.54
Sweden	-	-	53,982	0.07
Taiwan	-	-	132,875	0.17
United States	-	-	346,669	0.43
Uruguay	-	-	119,347	0.15
Total listed equities	-	-	71,905,077	90.02

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## 5. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

## (a) Market risk (continued)

## (ii) Price risk (continued)

	Value Partners EMQQ Emerging Markets Internet & Ecommerce ETF			
	As at 17 July 2024		As at 31 December 2023	
	Fair value HK\$	% of net asset value	Fair value HK\$	% of net asset value
<u>American depository receipts</u>				
Cayman Islands	-	-	26,236	0.03
China	-	-	2,996,654	3.75
Germany	-	-	32,002	0.04
Hong Kong	-	-	437,673	0.55
Taiwan	-	-	1,835,810	2.30
U Arab Emirates	-	-	47,819	0.06
Total American depository receipts	-	-	5,376,192	6.73
<u>Participation notes</u>				
India	-	-	2,435,815	3.05
Singapore	-	-	25,563	0.03
Total participation notes	-	-	2,461,378	3.08
<u>Global depository receipts</u>				
Kazakhstan	-	-	329,739	0.41
Total Global depository receipts	-	-	329,739	0.41
Total financial assets at FVPL	-	-	80,072,386	100.24

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## 5. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

## (a) Market risk (continued)

## (ii) Price risk (continued)

The Sub-Fund's financial assets and financial liabilities at FVPL were concentrated in the following industries:

	Value Partners EMQQ Emerging Markets Internet & Ecommerce ETF			
	As at 17 July 2024		As at 31 December 2023	
	Fair value HK\$	% of net asset value	Fair value HK\$	% of net asset value
<u>Listed equities</u>				
Communication Services	-	-	19,026,768	23.81
Consumer Discretionary	-	-	36,509,034	45.69
Consumer Staples	-	-	263,520	0.33
Energy	-	-	7,194,603	9.03
Financials	-	-	7,389,921	9.25
Health Care	-	-	28,690	0.04
Industrials	-	-	330,314	0.41
Information Technology	-	-	124,066	0.16
Real Estate	-	-	1,038,161	1.30
Total listed equities	-	-	71,905,077	90.02
<u>American depository receipts</u>				
Communication Services	-	-	3,174,234	3.97
Consumer Discretionary	-	-	578,678	0.72
Consumer Staples	-	-	67,196	0.08
Financials	-	-	908,288	1.14
Industrials	-	-	539,442	0.68
Information Technology	-	-	108,354	0.14
Total American depository receipts	-	-	5,376,192	6.73
<u>Participation notes</u>				
Communication Services	-	-	311,762	0.39
Consumer Discretionary	-	-	283,623	0.36
Financials	-	-	440,825	0.55
Industrials	-	-	403,714	0.51
Information Technology	-	-	1,021,454	1.27
Total participation notes	-	-	2,461,378	3.08



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## 5. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

## (a) Market risk (continued)

## (ii) Price risk (continued)

	Value Partners EMQQ Emerging Markets Internet & Ecommerce ETF			
	As at 17 July 2024		As at 31 December 2023	
	Fair value HK\$	% of net asset value	Fair value HK\$	% of net asset value
<u>Global depository receipts</u>				
Financials	-	-	329,739	0.41
Total Global depository receipts	-	-	329,739	0.41
Total financial assets at FVPL	-	-	80,072,386	100.24

Sensitivity analysis in the event of a possible change in the tracked index by sensitivity threshold as estimated by the Manager

As at 31 December 2023, if the Index increases by the following sensitivity threshold with all other variables held constant, this would increase the net asset value by the amounts stated below. Conversely, if the tracked index decreases by the same sensitivity threshold, this would decrease the net asset value by approximately equal amounts.

	As at 31 December 2023	
	Sensitivity threshold in %	Impact
<b><u>Value Partners EMQQ Emerging Markets Internet &amp; Ecommerce ETF</u></b>		
EMQQ The Emerging Markets Internet & Ecommerce Index™	10	HK\$8,007,000

The Manager has used the view of what would be a “reasonable shift” in each key market to estimate the change for use in the market sensitivity analysis above. The disclosures above are shown in absolute terms, changes and impacts could be positive or negative. Changes in the market index % are revised annually depending on the Manager’s current view of market volatility and other relevant factors.

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### NOTES TO THE FINANCIAL STATEMENTS

17 July 2024

#### 5. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

##### (a) Market risk (continued)

###### (iii) *Interest rate risk*

Interest rate risk is the risk that the value of a financial instrument or future cash flows will fluctuate due to changes in market interest rates.

The majority of the Sub-Fund's financial assets and liabilities are non-interest-bearing. As a result, the Sub-Fund is not subject to significant risk due to fluctuations in the prevailing levels of market interest rates.

##### (b) Credit risk

Credit risk is the risk that an issuer or counterparty will be unable or unwilling to pay amounts in full when due.

The Sub-Fund's financial assets which are potentially subject to credit risk consist principally of securities, derivatives and cash and cash equivalents. The Sub-Fund limit their exposure to credit risk by transacting with well-established broker-dealers and banks with high credit ratings.

All transactions in securities are settled or paid for upon delivery using approved and reputable brokers. The risk of default is considered minimal as delivery of securities sold is only made once the broker has received payment. Payment is made on a purchase once the securities or derivatives have been received by the broker or the issuer. The trade will fail if either party fails to meet its obligation.

###### Financial assets subject to IFRS 9's impairment requirements

The Sub-Fund's financial assets subject to the ECL model within IFRS 9 are cash and cash equivalents, dividends receivable, interest receivable, amount due from the manager and other receivables. At 17 July 2024, the total amount of these financial assets was HK\$9,998,500 (2023: HK\$590,914) for the Sub-Fund, for which no loss allowance had been provided. No assets are considered impaired and no amounts have been written off during the period.

For financial assets measured at amortised cost, the Sub-Fund applies the general approach for impairment, and there is no information indicating that the financial assets had a significant increase in credit risk since initial recognition. The financial assets therefore are still classified as stage 1 and presented in gross carrying amount.

###### Financial assets not subject to IFRS 9's impairment requirements

The Sub-Fund is exposed to credit risk on financial assets at FVPL. They are not subject to IFRS 9's impairment requirements as they are measured at FVPL. The carrying value of these assets, under IFRS 9 represents the Sub-Fund's maximum exposure to credit risk on financial instruments not subject to IFRS 9's impairment requirements on the respective reporting dates. Hence, no separate maximum exposure to credit risk disclosure is provided for these instruments.

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## 5. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

## (b) Credit risk (continued)

The tables below summarise the Sub-Fund's assets placed with banks and their related credit ratings from Standard & Poor's ("S&P"):

		Value Partners EMQQ Emerging Markets Internet & Ecommerce ETF As at 17 July 2024 HK\$
	Ratings	
<u>Bank balances</u>		
The Hongkong and Shanghai Banking Corporation Limited	AA-	8,707,028
		Value Partners EMQQ Emerging Markets Internet & Ecommerce ETF As at 31 December 2023 HK\$
	Ratings	
<u>Financial assets at FVPL</u>		
HSBC Institutional Trust Services (Asia) Limited	AA-	80,072,386
<u>Bank balances</u>		
The Hongkong and Shanghai Banking Corporation Limited	AA-	474,811

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## 5. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

## (c) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in settling a liability, including redemption requests.

The Sub-Fund invests the majority risk of their assets in investments that are traded in an active market and can be readily disposed of. The Sub-Fund's securities are considered readily realisable, as they are listed. It is the intent of the Manager to monitor the Sub-Fund's Liquidity position on a daily basis.

The following table illustrates the expected liquidity of financial assets held at 17 July 2024 and 2023 and gives the contractual undiscounted cash flow projection of the Sub-Fund's financial liabilities. The Sub-Fund manages its liquidity risk by investing in securities that they expect to be able to liquidate within 1 month or less. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

## Value Partners EMQQ Emerging Markets Internet &amp; Ecommerce ETF

As at 17 July 2024

	On demand HK\$	Less than 1 month HK\$	Total HK\$
<b>Financial assets</b>			
Cash and cash equivalents	8,707,028	-	8,707,028
Amount due from the Manager	-	990,674	990,674
Dividends receivable	-	90,440	90,440
Interest receivable	-	17,292	17,292
Total	<u>8,707,028</u>	<u>1,098,406</u>	<u>9,805,434</u>
<b>Financial liabilities</b>			
Management fee payable	-	1,385	1,385
Other payables and accruals	-	369,335	369,335
Total	<u>-</u>	<u>370,720</u>	<u>370,720</u>

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## NOTES TO THE FINANCIAL STATEMENTS

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## 5. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

## (c) Liquidity risk (continued)

Value Partners EMQQ Emerging Markets Internet &amp; Ecommerce ETF

As at 31 December 2023

	On demand HK\$	Less than 1 month HK\$	Total HK\$
<b>Financial assets</b>			
Financial assets at fair value through profit or loss	80,072,386	-	80,072,386
Cash and cash equivalents	474,811	-	474,811
Dividends receivable	-	92,275	92,275
Interest receivable	-	625	625
Total	80,547,197	92,900	80,640,097
-			
	On demand HK\$	Less than 1 month HK\$	Total HK\$
<b>Financial liabilities</b>			
Management fee payable	-	131,749	131,749
Amount due to the Manager	-	282,077	282,077
Other payables and accruals	-	368,438	368,438
Total	-	782,264	782,264

## (d) Fair value estimation

The fair values of financial assets and liabilities traded in active markets (such as publicly traded derivatives and trading securities) are based on quoted market prices at the close of trading on the period end date. The Sub-Fund use the last traded market prices as its fair valuation inputs for financial assets.

An active market is a market in which transactions for the assets or liabilities take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

IFRS 13 requires the Sub-Fund to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a Level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgement, considering factors specific to the assets or liabilities.

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## NOTES TO THE FINANCIAL STATEMENTS

17 July 2024

## 5. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

## (d) Fair value estimation (continued)

The determination of what constitutes “observable” requires significant judgement by the Sub-Fund. The Sub-Fund consider observable data to be the market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant markets.

Financial assets carried at fair value

The following table analyses the fair value hierarchy within the Sub-Fund’s financial assets measured at fair value:

As at 17 July 2024

	Level 1 HK\$	Level 2 HK\$	Level 3 HK\$	Total HK\$
<b>Financial assets at FVPL:</b>				
Listed equity securities	-	-	-	-
American depository receipts	-	-	-	-
Participation notes	-	-	-	-
Global depository receipts	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

As at 31 December 2023

	Level 1 HK\$	Level 2 HK\$	Level 3 HK\$	Total HK\$
<b>Financial assets at FVPL:</b>				
Listed equity securities	71,905,077	-	-	71,905,077
American depository receipts	5,376,192	-	-	5,376,192
Participation notes	-	2,461,378	-	2,461,378
Global depository receipts	329,739	-	-	329,739
	<u>77,611,008</u>	<u>2,461,378</u>	<u>-</u>	<u>80,072,386</u>

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17 July 2024

#### 5. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

##### (d) Fair value estimation (continued)

###### Financial assets carried at fair value (continued)

Investments whose values are based on quoted market prices in active markets, and therefore classified within Level 1, include listed equities and exchange traded funds. The Sub-Fund does not adjust the quoted price for these instruments.

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, either directly (as prices) or indirectly (derived from prices), the instrument is included in level 2. These instruments include the Sub-Fund's investments in participation notes.

Investments classified within Level 3 have significant unobservable inputs, as they are traded infrequently.

There were no transfers between levels during the period ended 17 July 2024 and year ended 31 December 2023.

###### Other financial assets and financial liabilities

The management has assessed that the carrying values of cash and cash equivalents, management fee payable and other payables and accruals approximate to their fair values largely due to the short term maturities of these instruments.

##### (e) Capital risk management

The Sub-Fund's capital is represented by the net assets attributable to shareholders. The Sub-Fund's objective is to provide investment results that correspond generally to the performance of the Index.

The Manager may:

- redeem and issue new shares in accordance with the constitutive documents of the Sub-Fund;
- exercise discretion when determining the amount of distributions of the Sub-Fund to the shareholders; and
- suspend the creation and redemption of shares under certain circumstances stipulated in the Instrument of Incorporation.

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### NOTES TO THE FINANCIAL STATEMENTS

17 July 2024

#### 6. NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

The creation and redemption of shares of the Sub-Fund can only be facilitated by or through participating dealers. Investors other than the participating dealers make a request to create or redeem shares through a participating dealer, and if the investor is a retail investor, such request must be made through a stockbroker which has opened an account with a participating dealer. Shares are created or redeemed at a minimum of 400,000 shares or in multiples thereof for the Sub-Fund.

The custodian shall receive subscription proceeds from the participating dealers for the creation of shares and pay redemption proceeds for the redemption of shares to the relevant participating dealer in such form and manner as prescribed by the Instrument of Incorporation. Subscriptions and redemptions of shares during the period are shown on the statement of changes in net assets attributable to shareholders.

For the purpose of determining the net asset value per share for subscriptions and redemptions and for various fee calculations (the “Dealing NAV”), the custodian calculates the Dealing NAV in accordance with the provisions of the Instrument of Incorporation, which may be different from the accounting policies under IFRSs.

The establishment cost for establishing the Company and the Sub-Fund were HK\$2,066,422. As defined in the prospectus of the Sub-Fund, the establishment cost is amortised over the first 60 months since the launch of the Sub-Fund. For presentation purpose in this financial statement and in compliance with IFRSs, the establishment cost has been expensed in the statement of profit or loss as incurred. The Sub-Fund had elected to liquidate and the last valuation date is 17 July 2024. Consequently, all unamortized establishment costs, the costs and expenses associated with the termination and deauthorization of the Sub-Fund as well as the delisting of the Sub-Fund from 31 May 2024 up to including the termination date would be borne by the Manager, as indicated per the Sub-Fund’s termination notice.

The difference between the Accounting NAV reported in the financial statements and the Dealing NAV as at 31 December 2023 for the Sub-Fund is reconciled as set out below:

	Value Partners EMQQ Emerging Markets Internet & Ecommerce ETF 31 December 2023 HK\$
NAV as reported in the financial statements	79,881,036
Adjustment for the establishment cost	<u>1,393,702</u>
Dealing NAV	<u>81,274,738</u>

	Value Partners EMQQ Emerging Markets Internet & Ecommerce ETF 31 December 2023 HK\$
NAV per share per financial statements at end of year	7.40
Dealing NAV per share at end of year	7.53



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## 7. NET GAINS ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2024 HK\$	2023 HK\$
Net realised (losses)/gains	(379,874)	15,218,653
Net change in unrealised gains	<u>6,423,098</u>	<u>8,009,788</u>
	<u>6,043,224</u>	<u>23,228,441</u>

## 8. OTHER INCOME

On 31 May 2024, the Manager decided to reimburse the establishment costs amounting to HK\$1,213,108.

## 9. INCOME TAX

No provision for Hong Kong Profits Tax has been made in the financial statements as the income of the Sub-Fund as it is authorised as collective investment schemes under section 104 of the Hong Kong Securities and Futures Ordinance and is therefore exempt from Hong Kong Profits Tax under Section 26A(1A) of the Hong Kong Inland Revenue Ordinance.

Tax expense of the Sub-Fund represents:

	2024 HK\$	2023 HK\$
Withholding tax on dividend income	67,556	18,616

## 10. CASH AND CASH EQUIVALENTS

	Note	2024 HK\$	2023 HK\$
Bank balances	(a)	8,707,028	474,811

(a) As at 17 July 2024 and 31 December 2023, the interest-bearing bank balances were held with The Hongkong and Shanghai Banking Corporation Limited.

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#### 11. RELATED PARTY TRANSACTIONS/TRANSACTIONS WITH THE MANAGER AND THEIR CONNECTED PERSONS

In addition to the transactions and balances disclosed elsewhere in these financial statements, the Company and the Sub-Fund entered into the following material related party transactions for the period. All such transactions were entered into in the ordinary course of business and on normal commercial terms.

##### (a) Management fee

The Manager is entitled to receive a management fee, calculated at an annual rate of the Dealing NAV of the Sub-Fund at each dealing day, accrued daily and payable monthly in arrears.

##### *Single management fee arrangement*

The Sub-Fund has adopted a single management fee structure, with the Sub-Fund paying part of its fees, costs and expenses (and its due proportion of any costs and expenses of the Company allocated to it) as a single flat fee (the "Management Fee"). Fees and expenses taken into account in determining the Management Fee include Manager's fee, the custodian's fee, the administrator's fee, the valuation agent's fee and the registrar's fee only. For the avoidance of doubt, any such fees and expenses exceeding the Management Fee will be borne by the Manager and will not be charged to the Sub-Fund.

The Management Fee does not include the Directors' remuneration or the operating costs relating to the administration of the Sub-Fund, including but not limited to index licensing fees, fees of the service agent, fees and expenses of the auditors, ordinary out-of-pocket expenses incurred by the Manager or the custodian, brokerage and transaction costs, fees and extraordinary items such as litigation expenses.

The current Management Fee is 0.99% per year of the Net Asset Value of the Sub-Fund and is accrued daily and calculated as at each Dealing Day and payable monthly in arrears. This fee is payable out of the Sub-Fund. No fees are payable out of the Sub-Fund to the Sub-Manager.

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17 July 2024

#### 11. RELATED PARTY TRANSACTIONS/TRANSACTIONS WITH THE MANAGER AND THEIR CONNECTED PERSONS (CONTINUED)

(a) Management fee (continued)

*Single management fee arrangement (CONTINUED)*

The Management fee of HK\$409,869 (2023: HK\$1,070,821) was charged to profit or loss during the period. Included in liabilities as at 17 July 2024 with management fees payable of HK\$1,385 (2023: HK\$131,749).

(b) Expense borne by the Manager

The product key facts of the Sub-Fund stated that it is the Manager's current intention to cap the ongoing charges of the Sub-Fund at 1.49% of the average net asset value published from 22 July 2022 to 17 July 2024 ("Average Net Asset Value") per share of the Sub-Fund; any ongoing charges in excess of such figure as at the end of the reporting period will be borne by the Manager.

(c) Manager's and its related parties' holdings in the Company and the Sub-Fund

Shares of the Sub-Fund held by the related parties of the Manager and the Sub-Manager as at 17 July 2024 and 31 December 2023 are listed below:

As at 17 July 2024

	Number of shares
<b>Listed Class</b>	
HUI Kiu Tat *	4,000
Value Partners Limited**	<u>800,000</u>

As at 31 December 2023

<b>Listed Class</b>	
HUI Kiu Tat *	4,000
Value Partners Limited**	<u>10,000,000</u>

\* HUI Kiu Tat is a director of the Company.

\*\* Value Partners Limited is a fellow subsidiary of the Manager.

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## NOTES TO THE FINANCIAL STATEMENTS

17 July 2024

## 11. RELATED PARTY TRANSACTIONS/TRANSACTIONS WITH THE MANAGER AND THEIR CONNECTED PERSONS (CONTINUED)

## (d) Outstanding balance due from/to the Manager

	2024 HK\$	2023 HK\$
Management fee payable	1,385	131,749
Due from the Manager	1,183,740	-
Due to the Manager	<u>-</u>	<u>282,077</u>

Due from the Manager is arising from management fee rebate for the purpose of maintaining on-going expense from exceeding 1.49% of estimated average NAV and adjustment in establishment cost which previously paid by the Manager.

Due to the Manager is arising from the unsettled establishment cost paid by the Manager on behalf of the Sub-Fund offset by the amount due from the Manager in related to expense borne by the Manager.

## 12. TRANSACTIONS WITH THE CUSTODIAN

## (a) Fund administration and custodian fees

The custodian fee and registrar's fee are included in the management fee and the Manager will pay the fees of the custodian and registrar out of the management fee, as set out in note 10(a) to the financial statements.

## (b) Transactions/balances with the group company of the custodian

As of 17 July 2024, the Sub-Fund maintains an interest-bearing bank account of HK\$8,707,028 (31 December 2023: HK\$474,811) with The Hongkong and Shanghai Banking Corporation Limited, which is an intermediate holding company of the custodian.

	2024 HK\$	2023 HK\$
Interest income	20,189	16,880
Bank charges	<u>3,160</u>	<u>15,352</u>

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### NOTES TO THE FINANCIAL STATEMENTS

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#### 13. TRANSACTION FEE

Transactions fees are costs incurred to acquire/dispose financial assets/liabilities at FVPL. They include fees and commissions paid to agents, brokers and dealers.

#### 14. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2024 HK\$	2023 HK\$
Financial assets at fair value through profit or loss		
- Listed equity securities	-	71,905,077
- American depository receipts	-	5,376,192
- Participation notes	-	2,461,378
- Global depository receipts	-	329,739
	<u>-</u>	<u>80,072,386</u>

#### 15. SEGMENT REPORTING

The Manager makes strategic resource allocation and assesses performance on behalf of the Company and the Sub-Fund and has determined the operating segments based on the reports reviewed which are used to make strategic decisions.

The Manager considers that the Sub-Fund has a single operating segment which is investing in securities with the objective as stated in the investment objective and policies of the Company and the Sub-Fund.

The segment information provided to the Manager is the same as that disclosed in the statement of profit or loss and other comprehensive income and the statement of net assets.

No additional disclosure is included in relation to segment reporting, as the Sub-Fund's activities are limited to a single business segment. The Sub-Fund is organised into a single business segment, focusing on trading in the constituent securities of the tracked index with the objective to provide investment results that closely correspond to the performance of the tracked index.

The Sub-Fund has no assets classified as non-current as at 17 July 2024 (31 December 2023: nil).

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#### 16. SOFT COMMISSION ARRANGEMENTS

The Manager and/or any company associated with it and its delegates may enter into soft dollar/commission sharing arrangements with a broker through which brokerage transactions are entered on behalf of clients under management. The Manager may receive, and are entitled to retain, research products and services (known as soft dollar benefits) which are of demonstrable benefit to the the Sub-Fund (as may be permitted under applicable rules and regulations) from a broker and other persons through whom investment transactions are carried out (the "broker"). Soft dollars may be received from them provided that the quality of transaction execution is consistent with best execution standards and brokerage rates are not in excess of the customary full-service brokerage rates.

Such soft dollar benefits may include research and advisory services; economic and political analysis; portfolio analysis, including valuation and performance measurement; market analysis, data and quotation services and software incidental to the above goods and services; clearing and custodian services and investment related publications. For the avoidance of doubt, soft dollar benefits do not include travel, accommodation, entertainment, general administrative goods and services, general office equipment or premises, membership fees, employee salaries or direct money payments.

For the period ended 17 July 2024 (date of last valuation), the Manager did not obtain any services through soft commission arrangements and no such commission was paid from the Sub-Fund (year ended 31 December 2023: nil).

#### 17. INVESTMENT LIMITATIONS AND PROHIBITIONS UNDER THE SFC CODE

The SFC Code allows the Sub-Fund to invest in constituent securities issued by a single issuer for more than 10% of the Sub-Fund's net asset value provided that:

- (a) the investment is limited to any constituent securities that each accounts for more than 10% of the weighting of the tracked index; and
- (b) the Sub-Fund's holding of any such constituent securities may not exceed their respective weightings in the tracked index, except where weightings are exceeded as a result of changes in the composition of the tracked index and the excess is only transitional and temporary in nature.

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#### 18. STANDARDS ISSUED BUT NOT YET EFFECTIVE

In January 2020 and October 2022, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement
- That a right to defer must exist at the end of the reporting period
- That classification is unaffected by the likelihood that an entity will exercise its deferral right
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

In addition, a requirement has been introduced whereby an entity must disclose when a liability arising from a loan agreement is classified as non-current and the entity's right to defer settlement is contingent on compliance with future covenants within twelve months.

The amendments had no impact on the Group's interim condensed consolidated financial statements.

The amendments are not expected to have any significant impact on the Company and the Sub-Fund's financial statements.

#### 19. EVENTS AFTER THE REPORTING PERIOD

There were two subsequent distributions after the reporting period that require disclosure in these financial statements. On 24 July 2024, the Sub-Fund announced to distribute HK\$8,336,307.99 and paid on 1 August 2024. On 7 August 2024, the Sub-Fund announced to distribute HK\$1,098,405.92 paid on 16 September 2024.

#### 20. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the Board of Directors on 15 October 2024.

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INVESTMENT PORTFOLIO (UNAUDITED)

AS AT 17 JULY 2024

Value Partners EMQQ Emerging Markets Internet & Ecommerce ETFs

The Sub-Fund did not hold any investment as at 17 July 2024 (date of last valuation)



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## STATEMENT OF MOVEMENTS IN INVESTMENT PORTFOLIO (UNAUDITED)

Value Partners EMQQ Emerging Markets Internet & Ecommerce ETF

For the period from 1 January 2024 to 17 July 2024 (date of last valuation)

	<b>Holdings</b>			
	<b>As at 1 January 2024 Units</b>	<b>Additions Units</b>	<b>Disposals Units</b>	
<b>Listed Equities Securities</b>				
<i>Argentina</i>				
Mercadolibre Inc	465	48	513	-
<i>Brazil</i>				
Grupo De Moda	4,887	-	4,887	-
Inter & Co BdrLocaweb ServicMagazine				
LuizaInter & Co Inc	5,643	-	5,643	-
NU Holdings Ltd/Cayman Islands	26,946	20,000	46,946	-
Pagseguro Digi Ltd	3,240	-	3,240	-
Pet Center Comercio e Participacoes SA	3,915	-	3,915	-
Stoneco Ltd-A	31,158	-	31,158	-
Valid Solucoes e Servicos de Seguranca em				
Meios de Pagamento e Identificacao SA	26,946	-	26,946	-
Xp Inc - Class	4,104	1,600	5,704	-
Grupo De Moda	3,537	-	3,537	-
Inter & Co BdrLocaweb ServicMagazine				
LuizaInter & Co Inc	2,862	-	2,862	-
Locaweb Servicos de Internet SA	891	-	891	-
Magazine Luiza SA	4,104	5,968	10,072	-
<i>British Virgin Islands</i>				
Despegar.Com Corp	567	-	567	-
<i>China</i>				
Baidu Inc-Clas	25,407	-	25,407	-
Bilibili Inc-C	2,835	-	2,835	-
iDreamSky Technology Holdings Ltd	9,936	-	9,936	-
Jd.Com Inc - C	26,784	-	26,784	-
K Holdings In	23,976	-	23,976	-
Kingdee International Software Group Co Ltd	31,185	-	31,185	-
Kingsoft Corp Ltd	10,584	-	10,584	-
Kuaishou Technology	28,269	-	28,269	-
Maoyan Entertainment	3,888	-	3,888	-
Meitu Inc	25,272	-	25,272	-
Meituan	59,157	-	59,157	-
Neteas Inc	19,980	-	19,980	-
Ping An Healthcare and Technology Co Ltd	5,832	-	5,832	-
Tencent Holding Ltd	19,737	-	19,737	-
Tongcheng Travel Holdings Ltd	13,419	-	13,419	-
Trip Com Group Ltd	6,453	-	6,453	-
Weimob Inc	24,408	-	24,408	-

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## STATEMENT OF MOVEMENTS IN INVESTMENT PORTFOLIO (UNAUDITED) (CONTINUED)

Value Partners EMQQ Emerging Markets Internet & Ecommerce ETF

For period from 1 January 2024 to 17 July 2024 (date of last valuation)

	<b>Holdings</b>			
	<b>As at 1 January 2023 Units</b>	<b>Additions Units</b>	<b>Disposals Units</b>	<b>As at 17 July 2024 Units</b>
<b>Listed Equities Securities (continued)</b>				
<b><i>China (continued)</i></b>				
XD Inc	2,970	-	2,970	-
Yidu Tech Inc	5,670	-	5,670	-
ZhongAn Online P&C Insurance Co Ltd H SHARES	7,857	-	7,857	-
Zx Inc	1,971	-	1,971	-
<b><i>Germany</i></b>				
Delivery Hero SE	2,160	-	2,160	-
<b><i>Great Britain</i></b>				
VTEX	567	-	567	-
<b><i>Hong Kong</i></b>				
Alibaba Health Information Technology Ltd	52,785	-	52,785	-
Alibaba Pictures Group Ltd	101,034	-	101,034	-
China Ruyi Holdings Ltd	59,346	-	59,346	-
<b><i>Indonesia</i></b>				
Bank Jago Tbk PT	59,400	-	59,400	-
Bukalapak.com PT Tbk	610,200	-	610,200	-
GoTo Gojek Tokopedia Tbk PT	9,660,600	-	9,660,600	-
<b><i>India</i></b>				
Bajaj Finance Ltd	3,240	-	3,240	-
Ce Info System Ltd	243	-	243	-
Jio Financial Service Ltd	37,125	-	37,125	-
Jubilant Foodworks Ltd	4,293	-	4,293	-
MakeMyTrip Ltd	621	400	1,021	-
Reliance Industries Ltd	14,742	-	14,742	-
TeamLease Services Ltd	135	-	135	-

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## STATEMENT OF MOVEMENTS IN INVESTMENT PORTFOLIO (UNAUDITED) (CONTINUED)

Value Partners EMQQ Emerging Markets Internet & Ecommerce ETF

For period from 1 January 2024 to 17 July 2024 (date of last valuation)

	<b>Holdings</b>			
	<b>As at 1 January 2024 Units</b>	<b>Additions Units</b>	<b>Disposals Units</b>	<b>As at 17 July 2024 Units</b>
<b>Listed Equities Securities (continued)</b>				
<i><b>Japan</b></i>				
NEXON Co., Ltd.	4,644	-	4,644	-
<i><b>Korea</b></i>				
AfreecaTV Co Ltd	81	-	81	-
CJ ENM Co Ltd	108	-	108	-
Com2USCorp	81	-	81	-
Coupang Inc	13,500	4,500	18,000	-
Kakao Corp	3,294	1,430	4,724	-
Kakao Games Co	405	-	405	-
Kakaopay Corp	270	-	270	-
KakaoBank Corp	1,782	1,540	3,322	-
Naver Corp	1,566	620	2,186	-
NcSoft Corp	189	-	189	-
Neowiz	135	-	135	-
<i><b>Luxembourg</b></i>				
Allegro.eu SA	6,048	-	6,048	-
<i><b>Poland</b></i>				
CCC S.A.	567	-	567	-
CD Projekt S.A.	729	-	729	-
<i><b>Singapore</b></i>				
Grab Holdings Ltd.	22,356	11,900	34,256	-
<i><b>South Africa</b></i>				
MultiChoice Group Ltd.	3,591	-	3,591	-
Naspers Ltd.	2,025	-	2,025	-

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## STATEMENT OF MOVEMENTS IN INVESTMENT PORTFOLIO (UNAUDITED) (CONTINUED)

Value Partners EMQQ Emerging Markets Internet & Ecommerce ETF

For period from 1 January 2024 to 17 July 2024 (date of last valuation)

	<b>Holdings</b>			
	<b>As at 1 January 2024 Units</b>	<b>Additions Units</b>	<b>Disposals Units</b>	<b>As at 17 July 2024 Units</b>
<b>Listed Equities Securities (continued)</b>				
<i>Sweden</i>				
Truecaller AB	1,998	-	1,998	-
<i>Taiwan</i>				
Gamania Digital Entertainment Co., Ltd.	2,160	-	2,160	-
Momo.com Inc.	712	-	712	-
<i>United States</i>				
Freshworks Inc.	1,890	-	1,890	-
<i>Uruguay</i>				
DLocal Ltd.	864	-	864	-
<b>American Depository Receipts (ADRs)</b>				
<i>Cayman Islands</i>				
Huya Inc-ADR	918	-	918	-
<i>China</i>				
Dada Nexus Ltd ADR	2,592	-	2,592	-
FinVolution Group ADR	1,728	-	1,728	-
Full Truck Alliance Co Ltd ADR	9,855	-	9,855	-
Hello Group Inc ADR	1,539	-	1,539	-
iQIYI Inc ADR	5,238	-	5,238	-
Kanzhun Ltd ADR	3,699	-	3,699	-
Kingsoft Corp ADR	2,646	-	2,646	-
Lufax Holding Ltd ADR	5,960	-	5,960	-
Qifu Technology Inc ADR	1,620	-	1,620	-
Tencent Music Entertainment Group ADR	7,128	-	7,128	-
Up Fintech Holding Ltd ADR	1,782	-	1,782	-
Vipshop Holdings Ltd ADR	3,942	-	3,942	-
Vnet Group Inc ADR	1,350	-	1,350	-

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## STATEMENT OF MOVEMENTS IN INVESTMENT PORTFOLIO (UNAUDITED) (CONTINUED)

Value Partners EMQQ Emerging Markets Internet & Ecommerce ETF

For period from 1 January 2024 to 17 July 2024 (date of last valuation)

	<b>Holdings</b>			
	<b>As at 1 January 2024 Units</b>	<b>Additions Units</b>	<b>Disposals Units</b>	<b>As at 17 July 2024 Units</b>
<b>American Depository Receipts (ADRs) (continued)</b>				
<i>Germany</i>				
Jumia Technologies AG ADR	1,161	-	1,161	-
<i>Hong Kong</i>				
Futu Holdings Ltd. ADR	1,026	-	1,026	-
<i>Taiwan</i>				
Sea Ltd. ADR	5,805	2,200	8,005	-
<i>United Arab Emirates</i>				
Yalla Group Ltd. ADR	999	-	999	-
<b>Participation Notes</b>				
<i>India</i>				
CLSA Global Markets Pte Ltd. (Affle India Ltd.) P-note 02/05/2030	567	-	567	-
CLSA Global Markets Pte Ltd. (Angel One Ltd.) P-note 01/06/2030	378	-	378	-
CLSA Global Markets Pte Ltd. (FSN E-Commerce Ventures Ltd.) P-note 07/05/2030	12,474	-	12,474	-
CLSA Global Markets Pte Ltd. (Happiest Minds Technologies Ltd.) P-note 02/05/2030	648	-	648	-
CLSA Global Markets Pte Ltd. (ICICI Securities Ltd.) P-note 05/30/2030	918	-	918	-
CLSA Global Markets Pte Ltd. (Indian Energy Exchange Ltd.) P-note 07/05/2030	8,505	-	8,505	-
CLSA Global Markets Pte Ltd. (Info Edge India Ltd.) P-note 03/30/2030	837	270	1,107	-
CLSA Global Markets Pte Ltd. (Intellect Design Arena Ltd.) P-note 05/02/2030	810	-	810	-
CLSA Global Markets Pte Ltd. (Nazara Technologies Ltd.) P-note 03/06/2033	459	-	459	-
CLSA Global Markets Pte Ltd. (One 97 Communications Ltd.) P-note 07/05/2030	2,781	-	2,781	-
CLSA Global Markets Pte Ltd. (PB Fintech Ltd.) P-note 07/05/2030	2,754	1,890	2,754	4,644

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## STATEMENT OF MOVEMENTS IN INVESTMENT PORTFOLIO (UNAUDITED) (CONTINUED)

Value Partners EMQQ Emerging Markets Internet & Ecommerce ETF

For period from 1 January 2024 to 17 July 2024 (date of last valuation)

	<b>Holdings</b>			
	<b>As at 1 January 2024 Units</b>	<b>Additions Units</b>	<b>Disposals Units</b>	<b>As at 17 July 2024 Units</b>
<b>Participation Notes (continued)</b>				
<i>India (continued)</i>				
CLSA Global Markets Pte Ltd. (Route Mobile Ltd.) P-note 05/01/2030	297	-	297	-
CLSA Global Markets Pte Ltd. (Tanla Platforms Ltd.) P-note 03/20/2030	729	-	729	-
CLSA Global Markets Pte Ltd. (Zomato Ltd.) P-note 07/05/2030	61,830	30,000	91,830	-
CLSA Global Markets Pte Ltd. (IndiaMart InterMesh Ltd.) P-note 05/05/2030	297	-	297	-
<i>Singapore</i>				
CLSA Global Markets Pte Ltd. (Easy Trip Planners Ltd) WTS 16/12/2027	6,750	-	6,750	-
<b>Global Depository Receipts (GDR)</b>				
Kaspi.KZ JSC	459	2,859	3,318	-

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**PERFORMANCE RECORD (UNAUDITED)****Net asset value**

	Dealing net asset value HK\$	Dealing net asset value per share HK\$
<u>Value Partners EMQQ Emerging Markets Internet &amp; Ecommerce ETF</u>		
As at 17 July 2024	9,434,714	7.86
As at 31 December 2023	81,274,738	7.53

**Highest issue price and lowest redemption price per share**

	Highest issue price per share HK\$	Lowest redemption price per share HK\$
<u>Value Partners EMQQ Emerging Markets Internet &amp; Ecommerce ETF</u>		
For period from 1 January 2024 to 17 July 2024 (date of last valuation)	8.77	6.98
For year ended 31 December 2023	8.64	6.74

**Comparison of the scheme performance and the actual index performance**

The table below illustrates the comparison between the Sub-Fund's performance (market-to-market) and that of the Index:

	Sub-Fund performance %	Index performance %
<u>Value Partners EMQQ Emerging Markets Internet &amp; Ecommerce ETF</u>		
For period from 1 January 2024 to 17 July 2024 (date of last valuation)	+4.5%	+10.3%
For year ended 31 December 2023	+3.9%	+5.3%